

TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman
Lynn Greer, Director
Sara Kyle, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

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CONTACT:

Greg Mitchell
615-741-2904
Ext. 131

****CONSUMER ALERT****

CONSUMERS TO SEE ADDED CHARGE TO PHONE BILLS

NASHVILLE -- Tennesseans will see a new charge on their telephone bills beginning this month. Long distance companies AT&T, MCI and Sprint will begin charging residential and business customers a fee to pay for the federally mandated Universal Service program.

AT&T says it will charge residential customers a 93 cent flat monthly fee and business customers 4.1 percent of their total long distance bill. Business customers had been paying 4.9 percent. Residential customers of MCI will be assessed 5.9 percent of their total monthly charges for long distance and international calls. MCI's big business customers will see their fees rise from 4.4 percent to 4.9 percent of their monthly long-distance bills, while small business customers will be charged the residential rate of 5.9 percent. Sprint will also impose fees on both of its residential and business customers.

The surcharge is not a result of any action taken by the Tennessee Regulatory Authority (TRA) but is national in nature.

The charges are part of the ongoing funding of the Universal Service program. The original program was designed to keep basic telephone service affordable for rural and low-income households. Phase two of the universal service program will provide Internet access to schools, libraries and rural healthcare providers.

The added charge will appear as a line item on consumers' monthly telephone statements.

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